Nova Scotia
Office of Economic Development
Business Plan
2004-2005

April 7, 2004.

Table of Contents

1. Message from the Minister
2. Message from the CEO
3. Mission
4. Planning Context
5. Strategic Goals
6. Core Business Areas
7. Priorities
8. Budget Context
9. Outcome/Performance Measures

106-03860/

1. Message from the Minister

For the Province of Nova Scotia, 2004-2005 is a year to build on past successes, and continue to strive for a more healthy, prosperous and self-sufficient Nova Scotia. The Office of Economic Development's (OED) principle responsibility in support of the provincial vision is building greater prosperity.

Our objective is to create the climate for economic growth. That means balancing the budget, lowering taxes, and ensuring that Nova Scotians have the education, skills, and training to meet the jobs of the future. It also means improving our transportation infrastructure, and working closely with business and labour.

Clearly, creating economic growth does not fall to OED alone. We collaborate with a variety of other departments, our implementing agencies, and with a broad cross section of the province's business community and local development organizations. The nature of the work determines our role - from leadership to support. We focus our efforts by executing on our economic development, innovation, and technology strategies. We support the efforts of others in relation to these strategies.

We can take pride in what we, as a province, have accomplished. We have a competitive business climate, internationally recognized educational institutions, and extensive telecommunications and transportation infrastructure. These and other factors have contributed to relatively strong GDP and employment growth over the past few years. Together with our collaborators, we will build on this momentum and continue to deliver on our goal - to make Nova Scotia the best place in Canada to live, work, do business, and raise families.

Ernest L Fage
Minister
Economic Development

Nova Scotia has a great deal of economic potential. Our job is to help Nova Scotians realize that potential. The initiatives we've undertaken in the past year are designed to do just that. The projects we're involved in are as varied as the communities we serve.

Our partnership with the Nova Scotia Co-operative Council and Credit Union Atlantic has put $2 million into the hands of small business since the program was launched last June. The small business loan guarantee program was created in response to a direct need identified by the business community. They told us that access to capital was an issue, and we responded.

Nova Scotia is the most connected province in the country. One hundred per cent of our businesses have access to dedicated business internet. We continue to work with communities in expanding our C@P (Community Access Program) to ensure our network continues to grow and expand. We're also working to create a higher level of collaborative use of technology and information across the public sector.

Whether we're helping to build capacity in communities, maintaining a procurement process that is fair, open and nets the best value for the taxpayer–we are building a healthy, more prosperous Nova Scotia. Our business plan is a reflection of the dedication of our employees and our firm belief in our ability to be the best place in Canada to live, work, raise a family and do business.

Paul Taylor
Chief Executive Officer

3 Mission

The Office of Economic Development (OED) is the focal point within the provincial government for advancing government's economic, innovation, technology, and information agendas. OED researches, develops, and advances corporate policies and strategies, leads strategic initiatives, and provides advice to government leading to a productive and sustainable economy.

4 Planning Context

Nova Scotia has many assets. These include a competitive business climate, internationally recognized educational institutions, prime geographic location, as well as modern telecommunications and transportation infrastructure. These and other factors have contributed to a relatively strong GDP and employment growth over the past few years. However, there are signs that the province's economy is beginning to plateau. Conditions such as a weakened US economy, a rising Canadian dollar, and a variety of trade issues could negatively impact our economy.

The province's efforts to create a more healthy, prosperous, and self-sufficient Nova Scotia will be carried out within the context of these economic challenges. Within the provincial government, additional investments in health care, education, roads, and other areas will be required to maintain and build upon existing assets. Managed economic growth will expand the province's ability to finance such investments on an on-going basis.

OED's efforts to create a more prosperous, and self-sufficient province are guided by three main strategies:

1. *Opportunities for Prosperity* (*OfP*),
2. *Innovative Nova Scotia*, and the
3. *Business and Technology Strategy*.

The *OfP* vision is: a thriving Nova Scotia that by 2010 is the best place in Canada to live, work, do business, and raise families. That vision is consistent with the concept of a prosperous and self-sufficient Nova Scotia as outlined in the provincial plan for 2004-05.

OfP is the framework for achieving provincial prosperity. *OfP* is closely linked to *Skills Nova Scotia* (the province's skills agenda), and *Seizing the Opportunity* (the provincial energy strategy). *OfP* outlines what Nova Scotia must do to achieve its economic development goals. Using 1999 as a base year, Nova Scotia seeks:

- continued balanced budgets;
- increases in provincial employment by 20,000 by 2005;
- investment per person above the national average by 2005;
- export expansion by $2 billion, or 40% by 2005;
- exports per person above the national average by 2010;
- provincial GDP growth above the national average over the next 10 years; and
- consistent net in-migration through to 2010.

Innovative Nova Scotia, the provincial innovation policy framework, was released on June 26, 2003. *Innovative Nova Scotia* was developed to stimulate awareness of the importance of innovation in enhancing economic growth in Nova Scotia. The policy provides clear direction for government decision-making aimed at expanding provincial innovation capacity.

The *Business and Technology Strategy* is the provincial government IT community's strategy for aligning technology and information with the vision for government. It supports a thriving economy by enabling productive, sustainable government. OED will leverage technology and information to address quality and accessibility of services, efficient operation of government, leveraging of information, and promotion of the economy. In these efforts, OED will be guided by the following principles:

- technology and information investments will be fiscally responsible and sustainable;
- strategic alliances with private and public sector agencies will be pursued;
- common, shareable, and integrated solutions will be pursued; and
- best practices will be used.

In August of 2003, an Order-in-Council reassigned procurement responsibilities from the Department of Transportation and Public Works to OED. This move further supports the coordination of government economic development activities. Initiatives such as trade negotiations and supplier development will benefit from the combined staff expertise.

OED will continue to work closely with the other organizations in the economic development family. These include OED's implementing agencies: Nova Scotia Business Inc., InNOVAcorp, the Nova Scotia Film Development Corporation, World Trade Centre Ltd., and the Waterfront Development Corporation. In addition, OED will cooperate with other government departments exercising relevant economic responsibilities.

The effective use of technology and information in the Nova Scotia public sector requires a similar co-operative and coordinated approach. OED will continue to put a high priority on building strong relationships with the departments of government and with other public sector organizations so that investments in technology and information deliver value to each, while also supporting the overall needs and priorities of government.

5 Strategic Goals

To work collaboratively across government departments, throughout the broader public sector, and with communities and business partners - to build a thriving economy.

To strengthen leadership and coordination of strategies, policies, and initiatives in the key areas identified in *Opportunities for Prosperity* – to maximize the benefits of government's work in economic development, and innovation, and in the public sector technology and information realms.

To support regional economic development in partnership with provincial and community development organizations, the private sector, and other governments.

To guide and leverage government's investments in technology, information, goods, and services to support efficient government and accessible, quality service.

6 *Core Business Areas*

As the hub of a set of organizations working on economic development, technology, and information issues, OED manages the overall system agenda. From the key government policy documents noted previously, OED derives its own six core business areas:

- Economic Development Leadership & Coordination
- Business Climate
- Technology and& Information Management
- Innovation
- Regional Capacity
- Procurement

Work within the core business areas will include staff as required from the five teams within OED - Decision Support, Policies and Strategies, Strategic Initiatives, Procurement, and Community and Regional Development.

Decision Support:
Provides coordination, research, evaluation, and performance measurement support to all aspects of the economic development, innovation, technology, and information systems.

Policies & Strategies:
Provides research, analysis, leadership, and support for the development processes underpinning implementation of government's projects and initiatives in economic development, innovation, technology, and information policy and strategy development.

Strategic Initiatives:
Provides leadership, planning, management, research, analysis, and other support to strategic initiatives that advance the economic development, innovation, and technology, and information systems agenda.

Provides project integration and management support to initiatives approved through the corporate planning process.

Supports a coordinated and integrated approach to project management across the system.

Community and Rural Development:
Supports community leadership for effective regional development throughout the province by providing information, advice, and resources to provincial, regional, and local organizations, to local governments, and to the general business community.

Collects and distributes information and intelligence from these organizations for OED and its agencies.

Procurement:
Responsible for ensuring that the purchase of goods, services, construction and facilities is conducted in accordance with the principles specified in the *Government Procurement Policy*. Procurement provides service to all departments, agencies, boards and commissions in an open and fair process that provides the highest degree of competition and value to the province.

Core Business Area - Economic Development Leadership and Coordination

System Coordination:
Support the meetings which bring together key players in the economic development, innovation, technology and information system in support of "good internal management" (as outlined in the *Corporate Plan*).

Brand Nova Scotia:
Developing an economic development branding and marketing strategy, that both government and private sector partners can take ownership of, focused on improving Nova Scotia's image, creating demand and driving sales.

Opportunities for Prosperity Oversight:
Produce the 2004 annual review of progress and re-visit and validate OfP for 2004/05.

Industrial Benefits - Aerospace & Defense:
Work with NSBI and Intergovernmental Affairs to ensure that Nova Scotia aerospace and advanced manufacturing companies receive a fair share of federal procurement opportunities.

Core Business Area - Business Climate

Improve the General Business Climate:
Complete the annual update of the Business Climate Index and analyze the results to identify action opportunities in partnership with Finance, Service Nova Scotia and Municipal Affairs, Environment and Labour, and other departments within the provincial and federal governments.

Economic Immigration:
In partnership with the Departments of Education, Tourism, Culture and Heritage, and Intergovernmental Affairs, develop an Immigration Strategy for Nova Scotia. The Provincial Nominee Program will be a key component of the strategy.

Access to Capital:
Work collaboratively to grow Community Economic Development Investment Funds (CEDIFs) as a financial tool for Nova Scotia communities. Develop a new provincial investment fund in partnership with labour, other governments, and the financial community.

Core Business Area - Technology and Information Management

Information Management Framework:
Develop a corporate Information Management Strategy and Framework for Government-held information in the Province of Nova Scotia. This includes continued leadership and support in the development of corporate information management policies, standards, and guidelines.

Data Centre Services Project:
In collaboration with the Department of Transportation and Public Works, initiate a 3 year project to examine all areas of government information technology operations to identify areas to improve efficiency, reduce cost, and meet the changing demands for technology services in the public sector. This project will result in a long term contract or contracts for

Data Centre Services fully implemented in early 2007.

SAP Program:
Use the Province's investment and expertise in SAP applications and tools to create a higher level of collaborative use of technology and information across the public sector. Projects planned for 2004/05 include:

- e-Merge planning and implementation of common Human Resource Management systems for the Province and School Boards
- Develop a municipal sector strategy for the SAP program, including tax and water systems implementations
- Develop a health sector plan for the SAP program
- Implementation of SAP portals in support of e-government
- Support for the overall SAP program including evaluation frameworks, and existing program reviews, project office support for the SAP program, and further development of the SAP program governance structure.

Coordination and Leadership of corporate technology and information:
Provide support to the technology and information governance structure within government and leadership in the Nova Scotia public sector. Analyze, monitor, report and recommend on all matters relating the public sector use of technology and information so that those investments support the vision and priorities of government.

Core Business Area - Innovation:

Implement and support the *Innovative Nova Scotia Policy* / strategic direction.
Collaborate on the implementation of *Innovative Nova Scotia* recommendations to provide emphasis and coordinated direction for Province of Nova Scotia innovation activity.

Core Business Area - Regional Capacity

Community Development Policy:
Lead implementation of the new Community Development Policy.

Small Business Support System:
Collaborate with Nova Scotia Business Inc (NSBI) to develop a coordinated approach to support small business in the province.

Community Access Program:
Ensure that C@P sites continue to evolve to meet the needs of their communities as an integrated function of community and rural development infrastructure.

Core Business Area - Procurement

Strategic Sourcing:
Identify and implement new opportunities for bulk purchasing at the provincial level.

Supplier Development:
Develop a strategic framework for a sustainable Supplier Development Program and begin implementation of the deliverables as outlined in the work plan.

Procure to Pay Process Review:
Identify the priorities and begin implementation of the recommendation contained in the Procurement/Finance process review.

Trade Agreement Negotiation:
Collaborate with Inter-Governmental Affairs to re-negotiate the Atlantic Procurement Agreement and Chapter 5 of the Agreement on International Trade. Both are designed to reduce inter-provincial trade barriers related to public procurement.

Office of Economic Development - Estimated Budget Expenditures			
	Estimate 2003/04 (Per 2004/05 Estimates Book)	Forecast 2003/04 (Per 2004/05 Estimates Book)	Budget 2004/05 (Per 2004/05 Estimates Book)
	$ Millions	$ Millions	$ Millions
Total Program Expenses - Gross Current	$37.6	$44.4	$45.1
Net Program Expenses - Net of Recoveries	$30.9	$36.4	$38.8
Salaries and Benefits (Gross)	$5.3	$4.7	$7.3
Funded Staff (FTEs) (Gross)	81.5	72.7	116.2
Funded Staff (FTEs) (Net)	74.8	66.1	112.3

9 *Outcomes/Performance Measures*

Developing outcome measures for OED's work poses challenges. Nova Scotians know whether the economy is performing when people are working and their salaries provide sufficient income to meet their needs. However, many of the factors behind sound economic performance are beyond the control of government or any one department. Nonetheless, OED will continue to set goals and measure progress towards them.

OED has assumed overall responsibility for monitoring progress on key economic development outcomes and proposing adjustments if progress lags. OED will monitor the economic outcomes proposed in *Opportunities for Prosperity*, and in the corporate business plan.

Economic Development Outcomes - Opportunities for Prosperity			
Outcome	Measure	Base Year Measure	Target
Sound financial management	Balanced Budget		Budget balance maintained
People working	Increased employment levels	409,000 employed (1999) [423k/01]	Increase by 20,000 by 2005
Confidence in the economy	Increased investment	$5307/person in NS $5617/person CDN	NS above national average by 2005
A competitive economy	Total exports	$4.08B (1999)	Expansion by $2B by 2005
	Exports/person	$4.3m/person in NS $11.6/person CDN	NS above national average by 2010
A growing economy	GDP	$22,247m (1999)	Growth above national average 1999 to 2010
An attractive economy	Net in-migration	1,000 people (1999)	Consistent net in-migration to 2010

In addition to monitoring indicators of overall performance, OED will work closely on outputs, outcomes, and measures in its five core business areas. OED has developed outcomes for each of the core business areas it leads. Work on OED's priorities will help achieve these outcomes. OED's operational plan will provide details of its activities in these areas. The operational plan will also spell out OED's proposed activities in the work it does in collaboration with other departments on other important business areas.

Core Business Area - Leadership and Coordination					
Outcome	Indicator	Measure	Base year	Target 04-05	Strategies to achieve target
A coordinated economic development and innovation system	Value placed on system co-ordination	Participant satisfaction	Baseline to be established in March 2004	TBD	- support to OED Heads of Agencies meetings and Deputies' discussion of economic development issues. - lead implementation of an integrated federal/provincial international trade strategy. - support Energy in efforts to establish an Oil and Gas Business Registry
	Percentage of *OfP* activities implemented	Progress tracked and documented in annual progress report	*OfP* progress report completed in May 2003	Increased number of *OfP* activities completed	- ongoing coordination of the economic development system

Core Business Area - Business Climate					
Outcome	Indicator	Measure	Base year	Target 04-05	Strategies to achieve target
Competitive Business Climate	Economic vitality, competitive tax and regulatory environment	Nova Scotia Business Climate Index	Business Climate Index (2002)	Maintain number four in Canada position	- Collaborate with TPW and others to develop a strategic plan for the use of Shearwater as a center for the future growth of Nova Scotia's aerospace industry. - Collaborate with educational bodies to invest in entrepreneurship training - Collaborate with the Department of Environment and Labour, and Treasury and Policy Board to streamline government regulations. - Collaborate with Finance to create a more competitive tax climate - Collaborate with Aboriginal Affairs to create a more inclusive business climate by supporting the Aboriginal Open for Business Centre
	-Access to capital	-Venture capital investments -Business loans per employee	-$59/ employee (2001) $4,960/employee (2001)	- TBD -TBD	

Core Business Area - Business Climate					
Outcome	Indicator	Measure	Base year	Target 04-05	Strategies to achieve target
Attraction and retention of immigrants to fill targeted N.S. skill gaps	Number of nominee certificates issued through the Nova Scotia Nominee Program (NSNP)	Count of nominee certificates	NSNP agreement signed (2002-03)	TBD	- participate in Team Canada Marketing and Promotion Initiatives - market the NSNP to Nova Scotia employers, communities and immigration stakeholders - work closely with the medical community to meet their labour force needs through the NSNP -continue to consult and collaborate with the francophone community to meet their needs through the NSNP.

Core Business Area - Technology & Information Management					
Outcome	Indicator	Measure	Base Year	Target 04-05	Strategies to Achieve Target
Enhanced effectiveness and efficiency of government operations supported by cost effective and innovative use of information and technology	Cost savings on significant Government of Nova Scotia technology - related contracts	Government Data Centre Services contract - Savings new versus existing contract	$4.5 million per year for mainframe and other services under current contract	To be determined. Dependent on services to be included within scope of contract	- facilitate, in partnership with TPW, the process leading up to the implementation of a replacement contract for government data centre services.

Core Business Area - Technology & Information Management					
Outcome	Indicator	Measure	Base Year	Target 04-05	Strategies to Achieve Target
A well coordinated Technology and Information Management system across the Nova Scotia public sector	Value placed on system co-ordination	Participant satisfaction	Baseline to be established in March 2004	TBD	- support to BTAC and ITDF - lead SAP Public Sector Strategy
	Increased collaboration and coordination through SAP Public Sector Program	Level of public sector participation in SAP program	TBD Number of public sector organizations using SAP program offerings	TBD Growth in use of SAP programs	- manage SAP projects office - implement SAP HR payroll within Public Sector and School Boards - framework to track benefit realization is in development
Quality information available to decision makers	Better, more accurate HR/Payroll information available to more directors managers in provincial government and school boards.	# Managers accessing reports in SAP; increase use in reporting	No self-serve reporting available	Increase in managers accessing HR/payroll data directly	- implement SAP/HR payroll project
		Reduction in time to generate reports for key stakeholders	Average time for managers to receive reports	Provide access to all ID'd managers within project timelines	- decentralize SAP access to as many managers as possible

Core Business Area - Innovation					
Outcome	Indicator	Measure	Base Year	Target 03-04	Strategies to Achieve Target
A more innovative N.S.	Improved Nova Scotia's relative performance, on key innovation-related statistical indicators.	To Be Determined Indicators/ measures being developed	TBD	TBD	- provide support to the Premier's Council on Innovation - implement the *Innovative Nova Scotia Policy* and strategic direction - continue to support the enhancement of provincial broadband infrastructure

Core Business Area - Regional Capacity					
Outcome	Indicator	Measure	Base Year	Target 04-05	Strategies to Achieve Target
Expanded regional capacity to support economic growth	Communities actively engaged in their own development	Number of communities with community development plans	TBD	TBD	- work with RDAs on community development plans - identify economic opportunities - support the Sustainable Communities Initiative - provide continued funding for 13 RDAs
	Regions have capacity for business development and retention	TBD	TBD	TBD	- collaborate with NSBI to provide funding for the Business Retention and Expansion Program to ensure that businesses stay and grow in Nova Scotia - strategic use of the Industrial Expansion Fund -commit to multi-year funding for the Black Business Initiative - effective management of the Provincial Employment Program

Core Business Area - Regional Capacity					
Outcome	Indicator	Measure	Base Year	Target 04-05	Strategies to Achieve Target
	Deployment of a sustainable province wide network of public-access Internet sites	Number of active public access Internet sites	200 active sites (01-02)	75% of total sites in continued operation in 04-05	- develop and deploy partnered initiatives to maximize opportunities afforded by network of public-access Internet sites - collaborate with Education to engage the library system as a key element of e-government services
Efficient and effective rural development through the RDA program	RDAs are ISO9000 compliant	Number of RDAs with ISO9000 compliance	One RDA with ISO9000 compliance	Five RDAs with ISO9000 compliance	- support RDAs in their efforts to become ISO9000 compliant, and incorporate under Bill 10
	RDA business plans reflect regional priorities and opportunities	Business Plan reviews	A majority of RDA business plans reflect regional priorities and opportunities	All RDAs have business plans that reflect regional priorities and opportunities	- monitoring RDA business plans

Core Business Area - Procurement					
Outcome	Indicator	Measure	Base Year	Target 04-05	Strategies to Achieve Target
A procurement process that is open, fair and obtains best value for the province.	Transactions resulting from competitive bid.	Publicly tendered procurement. % of government goods, services and construction obtained through competitive bid.	In FY 2001-02, 79% of transactions were procured through a competitive bid process.	Maintain the percentage of transactions procured through a competitive bid process.	- Continue with procurement compliance and the outreach user training initiative covering the various policies, procedures and regulations used to carry out the procurement process.
	Supplier response to competitive bidding process.	Average number of bids received per competition.	In FY 2001-02, the average number of bids received per competition was 7.2.	Minimum average of 7.2 bid responses received through a competitive tender process.	- Continue supplier development and to ensure NS companies are aware and have access to public sector opportunities. - Develop an online self registration and vendor notification system
	Reasonable notice of opportunities.	Average time lapse between RFP open and close dates.	15 days	Minimum of 15 days	- Monitor periods of competition to comply with The Atlantic Procurement Agreement and The Agreement on Internal Trade.